



The President's Daily Brief

17 May 1973

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FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

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PRINCIPAL DEVELOPMENTS

The Lebanese Government is seeking US diplomatic and military help in its efforts to gain control over the fedayeen. (Page 1)

The allocation of posts in the new Cambodian cabinet constitutes a setback for Sirik Matak. (Page 2)

The presence of two swing-wing Backfire bombers at a Soviet training airfield indicates that the first Backfire regiment could be operational next year. (Page 3)

The dollar rallied modestly in European trading yesterday. (Page 4)

Libya's demands that African states sever their ties with Israel will be the principal issue at OAU meetings beginning today. (Page 5)

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LEBANON-FEDAYEEN

The Lebanese Government has asked the US Embassy in Beirut to relay a request to Washington for additional US support for its efforts to gain control over the fedayeen and to exercise full sovereignty over the 300,000 Palestinians in Lebanon. President Franjiyah wants the US to persuade the USSR and some Arab states to pressure the fedayeen to accept government demands made when negotiations with the fedayeen began on Tuesday. These include tighter control over fedayeen arms, access to refugee camps by the army, and the application of Lebanese law to all Palestinians.

Although the USSR reportedly has warned Yasir Arafat against expanding the confrontation with the Lebanese Army, the Soviets are unlikely to go further for fear of damaging their image as champions of the Palestinian cause.

The Arabs see some benefit in preserving the guerrillas' capability to conduct limited operations against Israel and would be opposed to tighter controls on the fedayeen. The fedayeen themselves will not accept the government's demands and the negotiations appear headed for a stalemate.

The army's keen interest in avoiding an all-out showdown with the fedayeen limits Franjiyah's ability to force acceptance of his demands.

the army is incapable of sustaining a prolonged country-wide campaign against the guerrillas.

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Franjiyah also wants rapid US help in strengthening his 14,000-man army in the event the negotiations collapse. If another round of fighting occurs, he will seek further US diplomatic support to deter Syrian intervention.

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CAMBODIA

The makeup of Prime Minister In Tam's cabinet announced yesterday marks a political setback for Sirik Matak. About half of the 24 positions went to President Lon Nol's Socio-Republican Party; the remainder were divided among the Republican and Democratic parties and independents. The able Long Boret will remain as foreign minister, and Major General U Say, now ambassador to Laos, has been named defense minister.

Sirik Matak had hoped to dominate both the High Political Council and the cabinet, but his unwillingness to compromise resulted in only three relatively minor portfolios for his Republican Party. Matak blames this setback on an alliance between Lon Nol and In Tam.

By the same token, Lon Nol seems to have improved his chances of reasserting his own primacy. A majority of the new cabinet ministers are generally loyal to him and can be expected to safeguard his interests.

Lon Nol continues to insist that he will soon travel abroad for further medical treatment. He probably will not leave, however, until he is confident that the other Council members will not unite against him during his absence.

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USSR

[redacted] two
swing-wing Backfire bombers were at the airfield
used by the Medium Bomber Training Division of Soviet
Long-Range Aviation.

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*If training begins immediately and there
are no delays in deliveries, some of the
aircraft could be sent to operational
units later this year, and the first Back-
fire regiment could be operational in 1974.*

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INTERNATIONAL MONETARY DEVELOPMENTS

The dollar rallied modestly in light European trading yesterday and the free market gold price slipped somewhat, probably because of profit-taking. No clear trend developed, however, and there are no solid grounds for predicting an end to the current trouble.

The European joint float has easily weathered the storm on the currency markets. With all currencies strong relative to the dollar, only modest interventions have been required to maintain the band. The Swedish and Norwegian crowns remain at the top of the band, followed closely by the French and Belgian francs. The mark still is at the bottom of the band.



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ORGANIZATION OF AFRICAN UNITY

Israel's presence in Africa is likely to be the principal issue at both the OAU heads of state conference, which opens on May 26, and at the preparatory meeting today.

Libyan President Qadhafi has demanded, in effect, that African states sever their ties with Israel or face loss of Libyan aid to them and to African liberation groups. He has threatened to boycott the conference unless the Africans adopt his position and has called for the removal of OAU headquarters from Addis Ababa to Cairo because of Ethiopia's close ties to Israel.

Some countries in need of financial support may yield to Libya's pressure. Several important African leaders have already rejected Qadhafi's ultimatum, however, and there is little likelihood that the move of OAU headquarters will be seriously considered.

Other themes at the conference are likely to be the strains between Ethiopia and Muslim countries, which Somalia may try to exploit, and the desire to increase pressure on white southern African regimes.

At least behind the scenes, Somalia may attempt to advance its long-standing territorial claims against Ethiopia.

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NOTE

Western Europe: The European allies begin discussions next week on how to assume a larger share of their own defense, as urged by the US, while keeping in mind the security implications of the MBFR negotiations. The talks will be held within the political committee of the EC, thereby carrying an EC body further into the security area than ever before. In March the committee decided that its proper role in considering MBFR was to discuss those aspects of force reductions that have a bearing on future West European integration, leaving purely military aspects to NATO.

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